

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission
On Its Own Motion

Docket No. 01-0662

Investigation Concerning Illinois Bell
Telephone Company's Compliance with
Section 271 of the Telecommunications Act
of 1996

**PHASE 2 REBUTTAL AFFIDAVIT OF
MARK J. COTTRELL AND DENISE KAGAN
REGARDING BILLING
ON BEHALF OF SBC ILLINOIS**

SBC ILLINOIS EXHIBIT 10.0

Dated: March 3, 2003

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We, undersigned, being of lawful age and duly sworn upon our oaths, do hereby depose and state as follows:

INTRODUCTION

1. My name is Mark J. Cottrell. I am Executive Director - Long Distance Compliance - OSS for SBC Services, which includes Illinois. My background and qualifications are provided in my initial affidavit regarding SBC Illinois' Operational Support Systems, which was filed in this proceeding.
2. My name is Denise Kagan. I am a Billing Program Manager for SBC Services, which includes SBC Illinois. My background and qualifications are provided in my initial affidavit regarding SBC Illinois' billing systems, which was filed in this proceeding.

PURPOSE OF AFFIDAVIT

3. As explained in its Application, SBC Illinois provides CLECs with accurate, timely, and auditable billing and usage information in compliance with the requirements of the Act. This joint rebuttal affidavit responds to the comments of the CLECs filing comments in this proceeding regarding these issues from a billing system and OSS perspective.
4. At the outset, it is important to put these comments into context. First, SBC Midwest's¹ billing OSS processes and procedures are exceedingly complex and involve extremely large commercial billing volumes. For example, every year, SBC Midwest's Carrier Access Billing System ("CABS") bills more than \$3 billion a year, and generates more than 6,000 CLEC bills for a variety of UNE and interconnection products. Every month,

¹ When used in this affidavit, the term "SBC Midwest" refers to the five state local exchange carrier operations of Illinois Bell Telephone Company; Indiana Bell Telephone Company, Incorporated; Michigan Bell Telephone Company; The Ohio Bell Telephone Company; and Wisconsin Bell, Inc. All five SBC Midwest states utilize the same billing systems, which are managed, monitored and maintained on a region-wide basis.

CABS processes more than 4 billion usage records, including more than 1 billion UNE-P CLEC usage records. SBC Midwest's Resale Billing System generates bills for more than 480 CLECs every month, and processes more than 5 million usage records every month. SBC Midwest completed approximately 220,000 rate table updates, including price schedule work, updates to support access products, tariff rate changes, and rate updates to support the implementation of new products. More than 150,000 of these rate table updates were to support CLEC billing in CABS.

5. Second, these billing systems, processes and procedures were the subject of a comprehensive independent third-party review that SBC Illinois passed with flying colors. Specifically, BearingPoint conducted extensive reviews and transaction testing in six different areas related to daily usage information, monthly bills and overall billing support to CLECs. BearingPoint concluded that SBC Illinois satisfied 94 out of 95, or 99%, of the applicable billing test criteria.
6. Third, given the extraordinary complexity of SBC Midwest's billing systems, processes and procedures and the substantial commercial billing volumes handled by SBC Midwest, occasionally there will be billing discrepancies that need to be reviewed and, if appropriate, corrected. However, as will be discussed in more detail below and by other affiants in this proceeding, none of the billing claims raised by the CLECs reflect systemic wholesale billing problems that are likely to recur. Many of the claims raised by CLECs describe incidents that are outdated or involve small disputed amounts, or stem from one-time system changes, and thus do not indicate any competitive impact on CLECs. Other claims raised by CLECs are so general and lacking in detail that it has been difficult for SBC Illinois to investigate and respond to their claims. Although

CLECs do raise claims of billing error, none of their claims demonstrate any systemic issues with SBC Illinois' billing OSS, and or succeed in rebutting SBC Illinois' showing that its billing OSS are compliant with checklist item 2.

BILLING TIMELINESS

7. As an initial matter, no CLEC seriously challenges that SBC Illinois' bills or usage information are provided on a timely basis. For example, SBC Illinois has provided CLECs parity service for both PM 18 (Billing Timeliness) and PM 19-01 (Daily Usage Feed Timeliness) during each of the last 12 months. The results for both PM 18-01 (Billing Timeliness - CABS) and 18-02 (Billing Timeliness - AEBS) indicate 100% performance during each of the last 12 months. Likewise, daily usage feed timeliness has been 99.9% over the September - December 2002 interval. Based on these results, Illinois CLECs have received the necessary information from SBC Illinois to correctly bill their customers.

BILL AUDITABILITY

8. WorldCom claims that SBC Midwest's wholesale bills cannot be effectively audited because they lack cross-references to applicable tariffs or interconnection agreements. In addition, AT&T argues that SBC Illinois' bills are not auditable and that BearingPoint made no finding that they are. AT&T Ex. 1.0 (Connolly) at 215. (Lichtenberg at par. 10). WorldCom's and AT&T are incorrect for several reasons. First, SBC Illinois' wholesale bills are provided in BOS/BDT industry standard format² that follows the guidelines

² This is the same industry standard format used in other SBC states, including states where the FCC has reviewed and approved SBC's compliance with the section 271 checklist, including Texas, Kansas, Oklahoma, Missouri, Arkansas and California.

established by the Ordering and Billing Forum.³ Thus, there are substantial resources available from third parties, such as Telcordia, which provide training, documentation and technical support to assist CLECs in understanding their bills. Moreover, the Multiple Exchange Carrier Access Billing (“MECAB”), an industry guideline produced under the auspices of the Order and Billing forum (OBF), describes call flows and the associated record exchange requirements for end-user and interconnection billing, as well as for bill verification.

9. Second, SBC Illinois’ wholesale bills contain sufficient information to enable CLECs to audit the accuracy of the charges. Among other things, line items on the bill contain both the USOC for the particular charge, as well as a short description of the product or service that was ordered by the CLEC. Additionally, the CABS customer service record includes an English-language Glossary Section that describes USOCs and field identifiers (“FIDs”) that appear on the bill. SBC Illinois Account Teams are also available to answer any specific billing questions related to rate elements appearing on a CLEC bill.⁴
10. Third, SBC Midwest provides CLECs with training classes, documentation, and other resources to assist them in understanding their wholesale bills. SBC also offers operational meetings on a weekly and/or monthly basis to discuss any issues or questions that the CLEC may have, including those related to billing.

³ CABS bills in particular follow CABS BOS/BDT industry guidelines, which CLECs have previously indicated is an auditable format. WorldCom, in particular, has previously stated that the CABS BOS format is a “predictable, well defined electronic bill format, which allows for levels of summarization by end office, jurisdiction, LATA, and state.” See Direct Testimony of A. Earl Hurter on Behalf of MCI Metro Access Transmission Services, Inc., Case No. U-12320, at 2 (Michigan PSC Sept. 25, 2000).

⁴ TDS claims that SBC’s invoice layout makes it difficult to capture USOC information. Specifically, TDS claims that while “most USOCs are placed on the invoice at position 25, . . . some of the USOCs are placed on the invoice at a different position.” (Cox ¶ 26). TDS’s claim is puzzling. Because neither SBC Midwest’s paper bills nor the bills provided to TDS on floppy disk are in a field-defined format, it is unclear where on the bill TDS is referring with respect to “position 25.”

11. Fourth, BearingPoint confirmed that Illinois' wholesale bills are clear and auditable. Specifically, as part of its OSS test, BearingPoint tested SBC Illinois' BOS BDT (for UNEs) format and determined that the bills conform to the detail and format of the BOS or industry specifications. *See BearingPoint Report at p 202, and TVV9-26, at 785.* The Master Test Plan for Illinois required BearingPoint to test EDI 811 (for resale) for formatting, and it was determined that it conformed to the detail and format of the industry's specifications. *See BearingPoint Illinois Report at 839 id 81.*
12. Finally, SBC Midwest continues to address concerns with bill auditability in its Draft Improvement Plan for Bill Auditability. This plan was filed with the Michigan Public Service Commission ("Michigan PSC") on February 13, 2003 in response to its January 13, 2003 Opinion and Order taking SBC Midwest up on its offer to make improvements in some areas in response to CLEC concerns.
13. SBC Midwest's plan proposed several additional measures designed to help ensure that CLECs are familiar with the billing support that is available to them from SBC Midwest. For example, SBC Midwest Account Managers will remind their clients, as appropriate, of the ongoing availability and value in attending the SBC CLEC billing workshops. SBC Midwest will also add billing audibility issues as an agenda item to the SBC CLEC User Forum in one of its up and coming user meetings, and will extend to the CLEC community an invitation to schedule individual meetings specifically to discuss CLEC billing auditability concerns. Moreover, SBC Midwest will identify additional available support options for the CLECs, including the availability of bill auditability training sessions offered by external vendors, and consider the viability of posting industry documentation on the CLEC Online website. SBC will also evaluate the need to develop

a CABS billing overview presentation to be delivered during a SBC CLEC User Forum.

These proposals will be the subject of a CLEC collaborative scheduled for March 4-5, 2003 in Michigan. Based on input received in this collaborative, SBC Midwest will make appropriate modifications and file a revised improvement plan on March 13, 2003 in Michigan. This improvement plan will apply equally to SBC Illinois' operations.

14. TDS has asserted that SBC is not proactively auditing its own bills. [Cox Affidavit, par. 9). As evidence of this, TDS refers to BearingPoint's findings noted in Exception 119. TDS's reliance on Exception 119, however, is meritless. During testing, BearingPoint reported they had analyzed two general areas of concern regarding the CABS billing processes. The first pertained to BOS BDT bill formatting. BearingPoint's concern was that SBC Midwest did not appear to have a process to validate that CABS BDT bills were properly formatted. SBC Midwest provided BearingPoint with documentation and artifacts displaying that validation of BOS BDT bill's syntax, format, totaling and content were done as part of PM 15. Further analysis by BearingPoint subsequently confirmed that SBC Illinois does employ a post-bill production process to validate CABS BOS BDT bills and that they are properly formatted. BearingPoint's second concern was in relation to seven issues regarding the bill sampling process. As outlined below, SBC Illinois has taken corrective action on all seven issues to address the remaining concerns of BearingPoint for Exception 119:

- Mechanized sampling logic was enhanced and implemented effective with the July 2002 reporting period to validate Non Recurring Charges (NRC).
- A manual process to validate a sampling of fractional charges was implemented with the November 2002 reporting period.
- Expansion of the existing product sample was completed to include additional available products with commercial volumes (excluding UNE-P) effective with the December 2002 reporting period.

- Further sample expansion to include UNE-P products will be effective with the February 2003 reporting period.
- A process to re-evaluate the product sample on a quarterly basis was put in place in December 2002.
- A process to independently maintain and update the sample rate control table was implemented in January 2003.
- In addition, the documentation associated with the CABS bill sampling process has been and will be updated concurrent with each enhancement.

It is SBC Illinois' understanding that BearingPoint is satisfied that SBC Illinois has addressed five of the seven remaining issues. The two remaining improvements are (1) the addition of UNE-P to the sampling process, which is scheduled to begin with the February 2003 reporting period and which BearingPoint will retest in the March 2003 timeframe, and (2) the documentation associated with the CABS bill sampling process, which is currently under BearingPoint's review. With the completion of the retest for UNE-P sampling and the documentation review, SBC Illinois expects BearingPoint to close this exception as satisfied.

15. Finally, the BearingPoint Test for UNE-P confirmed that SBC Illinois' CABS system is producing accurate and complete bills for UNE-P. *See BearingPoint Final Report test points TVV9-26 and TVV9-29* at pages 785-786. BearingPoint determined that SBC Illinois posts UNE-P service orders to CABS in a timely manner, and that UNE-P billing produced by CABS is accurate. Specifically, the results for the related test, which was conducted from August through October 2002, measured against BearingPoint's 95% benchmark show that Illinois achieved a 97.1% rate.

BILLING RATE TABLE

16. TDS alleges that SBC Illinois unable to make timely changes to its rate tables (Cox ¶ 17). TDS, however, provides no facts or details to support its claim. SBC Illinois,

however, has established processes designed to ensure that rate changes in both tariffs and interconnection agreements are implemented in a timely and accurate manner

17. CLECs may purchase service and products from SBC Illinois either by entering into an interconnection agreement with SBC Illinois or in certain circumstances by purchasing from a SBC Illinois tariff. Depending upon which option the CLEC chooses to purchase products and services from SBC Illinois, changes in either a tariff or an interconnection agreement, or both, may therefore require updates in the CLEC's applicable rate tables or tariff tables.
18. Adjustments to the rates in a tariff or interconnection agreement typically result from an order by the Commission mandating a particular change in rates. Once an order is issued by the Commission, the Contact Management and Product Management groups interpret the order, identify all affected groups and work to ensure compliance with the order. After appropriate contracts have been identified and amendments have been approved by the Commission, updates are made to the affected CLEC price matrices and forwarded to CABS for loading.
19. BearingPoint's third-party test confirmed that SBC Illinois makes accurate and timely updates to its rate tables. Specifically, BearingPoint's test found that "the bill production process includes procedures to implement rate table updates in an accurate and timely manner." *See BearingPoint Report PPR13-13 at page 484.* BearingPoint also found that "the bill production process includes procedures to accurately apply recurring and non-recurring rates." *See BearingPoint Report, PPR13-14, at page 487.* The validity of the rate table update process was also confirmed in the Functional Carrier Bill Evaluation section of the report where BearingPoint found that both recurring and non-recurring rates

“were consistent with the applicable tariffs and/or contact rates.” *See BearingPoint Report, TVV9-4 through TVV9-9*, at pages 776-778.

BILLING ACCURACY

20. TDS makes a number of contentions about billing problems. In virtually all instances, TDS provides almost no supporting information. Nevertheless, SBC Illinois has conducted an investigation into its claims and they will be addressed in turn to the extent the Company has been able to identify the issue. It should be noted that TDS does not subscribe to the UNE-P and that its issues have not been raised by the other CLECs.
21. TDS states that SBC Illinois assesses toll charges on TDS reciprocal compensation invoices even though TDS is not a toll provider (Cox Aff. ¶ 24). TDS is wrong. There are certain conditions where a CLEC will be billed reciprocal compensation for toll calls, even if it is not a toll provider. For example, intraLATA Toll calls that are passed by TDS Metrocom to SBC Illinois over the local/intraLATA Toll interconnection trunks between the parties will be billed appropriately to TDS as intraLATA toll. Depending on the NPA NXXs that the call originated from and terminated to, and the mandatory Commission approved local calling areas, SBC Illinois will either bill reciprocal compensation for local calls or terminating switched access for toll calls. The SBC Midwest Account Team met with TDS on February 18, 2003, and TDS indicated that they accepted and understood the explanation.
22. TDS states that SBC Illinois has been billing TDS for the same circuit twice. (Cox ¶ 14). SBC Illinois is only aware of a single instance in Wisconsin where it billed TDS for the same circuit under both a collocation billing account number (“BAN”) and an access BAN. Prior to 2000, access services and collocation services were billed on the same

BAN. A special project was implemented to separate the two services into two separate BANs. This error occurred after SBC Wisconsin moved a TDS access circuit from a collocation BAN to an access BAN. Although the order connecting the circuit to the new access BAN was processed, the order disconnecting the circuit from the collocation BAN flowed into error status. Once SBC Wisconsin realized its error, an order was issued to remove the circuit from the collocation BAN. This was a special project and an adjustment has already been applied. Notably, the amount in dispute as a result of this claim represents only about 0.5% of TDS's total collocation billing over the relevant billing period.

23. TDS states that SBC Illinois continues to bill TDS for joint SONET facilities and Design and Central Office Construction, Customer Connection, and Administration when it agreed not to charge TDS for such services. (Cox Aff. ¶ 13). This claim arises from a special arrangement whereby TDS and SBC Midwest agreed to jointly develop SONET facilities. Under this arrangement, SBC Midwest agreed not to charge TDS for DS3 lines running over the joint facilities. TDS was mistakenly charged for some DS3 lines because the Trunk Inventory Record Keeping System ("TIRKS") was not updated to reflect which circuits were joint circuits. It is important to note that this was an error in updating the TIRKS database, and does not raise issues with SBC Illinois billing OSS. In any event, TIRKS has been updated, SBC Illinois has been working closely with TDS on this issue, and expects to close this issue within the next billing cycle.
24. SBC Illinois is aware of certain TDS orders for residential loops that were improperly entered as business loops (Cox Aff. ¶ 15). The billing error resulted from an ordering system issue and was resolved as of November 9, 2002. The system did not properly

interpret the information on the request used to determine whether the loop should be categorized as residential versus business. Orders examined since November 9 indicate the system is processing new activity correctly. TDS brought the issue to SBC Illinois' attention in October of 2002; SBC Illinois fully intends to rectify any billing inaccuracies and is in the process of identifying the affected loops so corrections can be made. SBC Illinois' analysis will determine whether any other CLECs were impacted; any billing adjustments will include all affected CLECs.

25. TDS states that SBC has been incorrectly charging for Trouble Isolation and Maintenance (Cox Aff. ¶ 22). SBC Illinois' investigation has determined that this was a result of human error. Specifically, when a trouble ticket was actually closed to an SBC Illinois-caused trouble, the CLEC would receive a charge if the LOC technician placed a "Trip Charge" on the trouble ticket. Training was administered in November 2002, which resulted in a 90% reduction of such incorrect charges to TDS. Further, a system edit was implemented effective January 2, 2003, to prevent the generation of a trip charge on the bill if a LOC technician inadvertently applies a charge on a ticket that was closed as a result of an SBC Illinois trouble. As a result, inaccurate trip charges should no longer occur.
26. TDS claims that in October 2002, SBC Illinois improperly billed TDS for 800 database query database services associated with non-TDS point codes (Cox ¶ 23). A point code is a unique address code that identifies the service provider within the SS7 network. SBC Illinois' investigation determined that out of the 19 point codes in question, eight indeed belonged to TDS Metrocom, and 10 belonged to TDS Telecom, the parent corporation of TDS Metrocom. These 10 point codes were mistakenly assigned to TDS Metrocom by

the LSC. The last point code, which did not belong to either TDS Metrocom or TDS Telecom, affected only the October bill. SBC Illinois will work with TDS Metrocom to resolve disputed amounts resulting from this claim.⁵

27. TDS claims that SBC Midwest is unable to apply TDS payments correctly, resulting in TDS late charges (Cox Aff. ¶ 18). TDS does not provide any examples to support its claim, and SBC is unaware of any examples where TDS's payments were not applied correctly by SBC Illinois.

BACK BILLING

28. TDS claims that SBC Midwest has back billed it for products and services. The issues discussed below generally resulted from one-time system changes, which are not likely to recur, and for each instance of back billing discussed, SBC responded by establishing processes and procedures to address the issue. Still, it should be noted that SBC Illinois takes back billing very seriously, and understands the impact to the CLECs; back billing impacts SBC as well. SBC Illinois Account Teams stand ready to assist CLECs as necessary to minimize the impact of any back billing, including payment plans.
29. TDS claims that SBC did not bill TDS for directory assistance ("DA") service in Michigan until October 2001, at which time TDS was back billed for 12 months of service (Cox ¶12). TDS appears to be referring to an instance in Wisconsin, not Michigan, where SBC Midwest did back bill TDS for 12 months of DA services. The back billing occurred because when DA services were implemented for TDS in

⁵ In response to TDS's claim that rates for 800 database queries are incorrect (Cox ¶ 22), TDS has not provided SBC Midwest with sufficient information to investigate and respond to TDS's claims that rates for 800 queries are incorrect.

Wisconsin, processes for setting up the billing account for TDS's Wisconsin DA usage in the LEC Services Billing system (LSB) were not followed.⁶ In December 2000, and again in November 2002, SBC Midwest reinforced the processes for ensuring that LSB billing accounts are established prior to a CLEC turning up service.

30. TDS complains that in November 2002, it was back billed for more than 16 months of Calling Name and Delivery Service (CNDS) usage, totaling over \$591,000 (Cox ¶21). In December 2001, SBC Midwest consolidated all CNAM query usage onto a single platform. Beginning with the February 2002 bills, SBC Midwest discovered that CNAM billing had dropped across all accounts. Upon investigation, SBC Midwest determined that inbound CNAM queries were not being handled correctly, resulting in the associated drop in usage records. SBC Midwest corrected the problem in August 2002, and began billing actual CNAM query usage with the September 2002 bills. Backbilling was issued to impacted CLECs for the December 2001 through July 2002 usage period.⁷
31. TDS claims that in October 2002, TDS improperly received a bill for 800 database queries for activity back to September 2001 (Cox ¶ 54). In 2001, SBC Midwest added

⁶ The LSB system is used by the five SBC Midwest states to bill certain products and services for CLECs, ILECs, IXCs, transport hub providers and other telecom service providers. The LSB system bills switch-based CLECs for call-related services such as Calling Name Delivery (CNDS), operator services and directory assistance (OS/DA). Approximately 160 LSB billing statements are mailed monthly to CLECs. Contrary to TDS's claim (Cox ¶ 51), SBC Midwest disagrees that it ever provided TDS with a mechanized invoice for DA services, and there is no record of providing them with one. The LSB system does not generate mechanized bills. Bills are manually printed and mailed to the customer.

⁷ In addition, the November adjustment included back billing for five TDS Metrocom point codes that had not been billed to TDS Metrocom prior to April 2002 (Cox par. 23). SBC Midwest identified these five point codes through a review of its unbilled usage file. After SBC Midwest solved the network software problem described above, SBC Midwest calculated unbilled charges for these five point codes for a period from July 2001 through July 2002. SBC Midwest and TDS Metrocom are currently negotiating the resolution of this back billing.

capacity to the 800 database query network. As a component of the project, Billing system guides needed to be established. However, the added capacity was not communicated to all impacted parties and this step was missed. As a result, CLEC 800 database queries utilizing the new network components were not billed. This issue has now been resolved. Between September 2002 and December 2002, service orders establishing billing accounts were written, and billing tables were updated to bill queries handled by the new network components appropriately. This activity allowed the previously unbilled queries to flow through to the CLEC bills.

32. TDS claims it has discovered SBC is back billing monthly recurring charges as non-recurring charges for loops from 1999 to present (Cox ¶16). On October 23, 2002 TDS provided an example bill concerning this issue to SBC Midwest for investigation. At a meeting on February 18, 2003, TDS raised the issue and requested a status. Upon investigation, it appears TDS was back-billed in connection with proactive efforts undertaken by the LSC to make sure that any service order errors that were not resolved through normal process were investigated and corrected. The category of orders targeted by this special work effort were very old and had not been resolved by the service representatives either due to lack of knowledge regarding the specific error type, or because reports displaying these errors were not available at the time the error occurred.

CONCLUSION

33. In sum, SBC Illinois' billing systems provides CLECs with nondiscriminatory access to billing functionality. This is true despite the incredible complexity and scope of billing functionality SBC Illinois provides to CLECs, as well as the large commercial volumes of billing transactions processed by SBC Midwest's billing OSS. While CLECs have raised

issues concerning SBC Illinois billing, those issues fail to demonstrate any systemic issues with SBC Midwest's billing OSS. In short, SBC Illinois billing OSS provide CLECs operating in Illinois with a meaningful opportunity to compete.

34. This concludes our affidavit.

We declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on _____, 2003.

Mark Cottrell
Executive Director-Long Distance Compliance-OSS

Denise Kagan - Billing Program Manager

STATE OF ILLINOIS)
COUNTY OF COOK)

Subscribed and sworn to before me this _____ day of _____, 2003.

Notary Public